# USDA Foods (Commodity) Handling Charges

USDA Foods handling charges must be recorded properly on the district’s general ledger. Your

online claim monthly National School Lunch reimbursement information will identify the dollar

amount of any USDA Foods (commodity) handling charge. The handling charge will reduce the

total federal food service aid payment your district receives, but the district must record the gross

amount of federal National School Lunch aid payments on its ledger.

The proper accounting treatment for recording handling charges will be as follows:

| **Actual Cash Transfer** | **Source Code** | **Object Code** | **Function Code** | **Project Code** | **Debit Amount** | **Credit Amount** |
| --- | --- | --- | --- | --- | --- | --- |
| Dr. Cash | N/A | N/A | 711000 | N/A | $10,871.02 | N/A |
| Cr. Federal Food Service Aid | 717 | N/A | 500000 | 547 | N/A | $10,871.02 |

| **Gross Federal Aid Received** | **Source Code** | **Object Code** | **Function Code** | **Project Code** | **Debit Amount** | **Credit Amount** |
| --- | --- | --- | --- | --- | --- | --- |
| Dr. USDA Foods Handling Charges Expenditure | N/A | 387 | 257000 | N/A | $2,731.88 | N/A |
| Cr. Federal Food Service Aid | 717 | N/A | 500000 | 547 | N/A | $2,731.88 |

| **USDA Foods Handling Charge Credit Owed to SFA by DPI** | **Source Code** | **Object Code** | **Function Code** | **Project Code** | **Debit**  **Amount** | **Credit**  **Amount** |
| --- | --- | --- | --- | --- | --- | --- |
| Dr. Federal Food Service Aid | 717 | N/A | 500000 | 547 | $500.00 | N/A |
| Cr. USDA Foods Handling Charge Expenditure | N/A | 387 | 257000 | N/A | N/A | $500.00 |

USDA Foods Handling Charges will be identified separately on the district’s Aids Register. You

will notice that total federal National School Lunch aid identified on the aids register reflects

the gross federal National School Lunch aid received before any reductions for handling charges.

Handling Charge Credits are treated as a reduction in the total Handling Charges incurred. The

above entries will ensure that your district’s general ledger accounts will agree with the amounts

reported in the aids register.

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